

26 January 1955

POLICY "FLAP" IN MOSCOW

- I. Numerous signs of major policy "flap" in Moscow.
- A. Possibly largest call-back of Ambassadors since Stalin's death--Zarubin (US), Malik (UK), (both "candidate members" C.C.) Vinogradov (France), Pushkin (East Germany), several others.
- Gathering of clan suggests review such matters as:
1. Problem prospective West German rearmament.
 2. Commitments to ChiComs in Formosa crisis.
 3. Basic Soviet policy on preparedness for war and general allocation Soviet economic resources.
- B. Early date (3 Feb) set for convening Supreme Soviet (month before normal schedule). Session will provide sounding-board for:
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1. Publicizing current policy line, whatever it is.

2. Giving quasi-popular support to new party line, should policy decisions require some retrenchment in consumer-goods benefits.

Cut-back on at least some consumer-goods program is likely component of any new policy.

A. Reports for '54 show lag in some key heavy industries (e.g., pig iron, petroleum, rolling-mills) under present (pro-goods) economic policy.

B. Pravda (24 Jan) attacked "rotten" and "anti-scientific" economists who favored development light industry to "detriment" heavy industry. This authoritative declaration sacred nature heavy industry tied specifically to Pravda claim: "reactionary forces continue to arm and nurse plans for a new world war."

III. Probable that previous disagreements preceded this official decision maintain primacy heavy industry, at expense dishpans, bedsteads, etc. (light industry element of consumer-goods program) if necessary.

Evidence includes:

- A. Pravda editorials of past month put strong emphasis on importance heavy industry, while Izvestia on occasion still plugged consumer-goods (21 Dec issues both papers showed unprecedented divergence treatment these subjects).
- B. Removal Mikoyan, longtime Politburo member and outspoken proponent of consumer benefits, from Ministry of Internal Trade allegedly at own request. Timing of announcement suggests he perhaps scapegoat for light industry over-emphasis, preliminary to shift in party line.

C. Restoration of Andreyev to list of top Soviet leaders is mean that leadership anxiety proper interpretation heavy-light diversity as poke at Malenkov, who first to preach consumer-benefit program (Aug 1953).

1. Andreyev is former agricultural leader in eclipse since criticism apparently led by Khrushchev.
2. His restoration would be counter to Khrushchev, who associated more closely than other leaders with renewed stress on heavy industry (construction speech, 7 Dec).

IV. Too soon to reach hard, fast conclusion from these bits evidence. Especially difficult to be precise as to:

- A. Degree of strain on "collective" leadership.

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- B. Seriousness of Soviet fear that West German rearmament and Formosa crisis may destroy condition "relaxed international tensions"--which has been Soviet aim and which is basis entire Soviet economic policy of benefiting consumers, levelling-off military expenditures.
- C. Speeches at 3 Feb meeting Supreme Soviet should give many more clues.

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- B. Removal Mikoyan, longtime Politburo member and outspoken proponent of consumer benefits, from Ministry of Internal Trade allegedly at own request. *ALTHOUGH NOT IN DISGRACE (WENT TO INDIAN EMBASSY PARTY) THE* Timing of announcement suggests he perhaps scapegoat for light industry overemphasis, preliminary to shift in party line.

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C. Restoration of Andreyev to list of top
(SUPREME SOVIET ELECTION LIST)
Soviet leaders could mean that leadership anxious prevent interpretation heavy-light controversy as poke at Malenkov, who first to preach consumer-benefit program (Aug 1953).

1. Andreyev is ^{NEAR-BLIND "OLD BOLSHIEV"} former agricultural leader ^(WHO) ^d ¹⁹⁵⁰ eclipse since criticism for "ERRONEOUS" THEORIES & ATTACK ON HIM / apparently led by Khrushchev.

2. His restoration would be counter to ^{DEVELOPING STATURE AS AGRICULTURAL EXPERT} Khrushchev, who associated more closely than other leaders with renewed stress on heavy industry ^{BUT NOT RELEASED UNTIL 28 DEC.} (construction speech, 7 Dec).

IV. Too soon to reach hard, fast conclusion from these bits evidence. Especially difficult to be precise as to:

A. Degree of strain on "collective" leadership.

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